



ENVIRONMENTAL QUALITY COUNCIL

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HB 92

By Request of the Environmental Quality Council

Fact Sheet

What House Bill No. 92 does:

- C Establishes a grant program to be administered by the Montana Department of Commerce (Commerce).
- C Appropriates \$1 million each fiscal year for the 2002-03 biennium from the general fund for the grant program.
- C Awards competitive grants to planning boards, cities, towns, and counties.
- C Allows the use of grants to develop growth policies or to implement growth policies that meet the minimum requirements established by Senate Bill No. 97 in 1999.
- C Sets maximum grant at 50% of the eligible costs or \$50,000, whichever is less. Commerce may award up to 75% of the eligible costs if the local government demonstrates severe economic hardship. Local governments may match the grant with cash or in-kind contributions.
- C Requires that a project must be completed within 2 years. Commerce may authorize a 1-year extension.
- C Sets a grant application deadline of no later than December 31 of each year.

- Ⓒ Limits administrative costs to a maximum of \$50,000 per fiscal year.
- Ⓒ Gives Commerce rulemaking authority.
- Ⓒ Becomes effective on passage and approval to allow Commerce to initiate the rulemaking process as soon as possible.

Why we proposed HB 92:

The Environmental Quality Council (EQC) has devoted a significant effort to studying issues related to changes in land use and planning for growth since 1997. Legislation requested by the EQC and approved by the 1999 Montana Legislature (SB 97) renovated an old tool for community development and land use planning--the comprehensive plan or master plan. Under the new law, comprehensive plans or master plans are now called "growth policies" and they must meet minimum requirements. Development of growth policies is optional. We requested HB 92 for the following reasons:

- Ⓒ Growth policies will yield many long-term benefits to our communities.
- Ⓒ With a growth policy, communities can address land use issues up front, providing predictability to developers and neighboring landowners.
- Ⓒ Planning can save money by encouraging growth to occur in a way that is more cost-effective with respect to provision of infrastructure and services.
- Ⓒ Local governments may be overwhelmed with the task of carrying out mandated activities and meeting basic needs; as a result, some local governments have not placed a high priority on planning. It is important to encourage local governments to invest in growth policies.
- Ⓒ Capital improvements plans are beneficial for any community. The location, timing, and capacity of infrastructure improvements by local government can affect the pattern of growth as well as the cost to the taxpayers for providing these facilities. Furthermore, development of infrastructure is needed to provide for growth.
- Ⓒ More funding options are needed to encourage local governments to invest in the development of growth policies so that communities can encourage growth to occur in a way that is more cost-effective with respect to provision of infrastructure and services.